

FORESTHILL PUBLIC UTILITY DISTRICT

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BOARD OF DIRECTORS

Duane L. Frink
William L. Sadler, Jr.
Brett C. Grant
George S. Shaw
Adam W. Larsen

Kurt W. Reed, General Manager
Paul Chamberlain, District Counsel

DRAFT
OFFICIAL MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
FORESTHILL PUBLIC UTILITY DISTRICT
HELD FEBRUARY 18, 2009
(RESCHEDULED FROM FEBRUARY 11, 2008)

A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:00 p.m. by President Duane L. Frink.

ROLL CALL:

Present

Duane L. Frink, President
William L. Sadler, Jr., Vice President
Brett C. Grant, Treasurer
George S. Shaw, Director
Adam W. Larsen, Director

Also present:

FPUD Staff: Kurt Reed, General Manager and Jo Ann Glover Acting Business Manager.
Members of the Public: Roy West, Daniel West and John Laster.

B. PLEDGE OF ALLEGIANCE

Vice President Sadler led the pledge of allegiance at 7:01 p.m.

C. INTRODUCTIONS AND PRESENTATIONS

None.

D. PUBLIC PARTICIPATION

Any member of the public may address the Board on any matter within the jurisdictional authority of the District, or on any item on this agenda before or during the Board's consideration of that item. Such testimony shall be limited to three minutes per person, or such other time limit as may be imposed by the President in order to enable the Board to complete its agenda within a reasonable period of time.

Read by President Frink.

E. COMMITTEE REPORTS

1. Finance Committee

a. Report by Committee Chairman on meeting held on 2/10/09.

Chairman Grant reported on Committee objectives for the upcoming year. They are as follows:

1. Benefits analysis
 2. Rate analysis
 3. Develop a report for the Board which will provide straightforward financial information.
2. Planning Committee
 - a. No activity this period.

Director Shaw suggested a meeting with Treasurer Grant and Vice President Sadler to discuss items worked on in the previous term. After discussion, it was decided to schedule a planning workshop as part of the next Board of Directors meeting.
 3. AD-Hoc Committee(s)
 - a. District Development Policies
 - b. Report by AD-Hoc Chairman

President Frink reported that he and Director Shaw have met a couple of times since the last Board meeting and progress is being made.
 - c. Revenue Potential

President Frink acknowledged Director Larsen's offer to participate in the AD-Hoc Committee(s).

F. DIRECTOR'S COMMENTS

Director Shaw requested a change in Policy stating annual rotation of Board Officers. The General Manager will make the changes requested and present it at the next Board meeting.

President Frink distributed his Directors activity report for January 14 to February 10, 2009.

G. CORRESPONDENCE/AGENDA CHANGES AND REVIEW

President Frink presented a newspaper article for review on water rate hikes in Sacramento County and a brochure on ACWA's national Geographic magazine partnership.

H. CONSENT CALENDAR

All items listed under the consent calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff requests a specific item be removed from the consent Calendar for separate action. Any item removed will be considered after the motion to approve the Consent Calendar.

Director Shaw requested Item 1 of the Consent Calendar be removed for separate action.

1. Approve minutes of the regular Board of Directors meeting held January 14, 2009.
2. Approve January 2009 Financial Report from LAIF.
3. Approve Balance Sheet Revenue/Expense Report January 31, 2009
4. Approve February 2009 A/P warrants for payment.

Director Shaw motioned to approve items remaining on the Consent Calendar as presented. Vice President Sadler seconded the motion.

PASSED UNANIMOUSLY.

Action: Director Shaw suggested the following corrections to Item 1, January 14, 2009 minutes:

1. Call to order by "Vice President Frink".
2. Correction to letter sequencing of Agenda Items; i.e., A-B-C, etc. "typo correction".
3. Item C, "Correspondence/Agenda Changes and Review" be modified as follows:

“Director Shaw motioned for the election of Board Officers by ascending rotation as previously utilized by the District as follows: President Frink, Vice President Sadler, and Treasurer Grant.” Director Grant motioned for corrections as suggested and seconded by Director Sadler.
PASSED UNANIMOUSLY

I. GENERAL ITEMS

1. New Business

a. Action Item: Approve Resolution No. 09-01 Declaring Surplus Property and authorizing sale of two (2) 1995 pickup trucks.

After some questions were answered by the General Manager, Vice President Sadler motioned to approve this item. Director Larsen seconded the motion.

PASSED UNANIMOUSLY.

b. Action Item: Approve Resolution No. 09-02 authorizing District Officers to deposit/withdrawal of funds in LAIF.

With some modification of this Resolution (correction to the letterhead, removing Greg Wells and adding Adam Larsen), Director Larsen motioned to approve this item. Director Shaw seconded the motion.

PASSED UNANIMOUSLY.

c. Review and discuss California Air Resources Control Board’s Section 2025(i) (diesel particulate matter) regulation pertaining to fleet emissions standards.

The General Manager explained that the PUD trucks need to have documented evidence of usage. This can be achieved with an hour meter. These meters will be ordered and installed. Additionally, more of the District’s equipment will need to be evaluated for compliance.

2. Old Business

a. Action Item: Approve 2008 Finance Committee’s recommendations contained in 2008 Year End Report.

Report was reviewed by item as follows:

Report Item 1. Timing of Finance Committee Meetings. There was no agreement on when a future Finance Committee would or would not meet. The Board provided direction that a future Finance Committee to provide its Budget Report and the next fiscal year forecast by the current year April meeting. There was no agreement on the use of any Price Index.

Report Item 2. GASB 45 Compliance. Considerable discussion ensued without a decision. A concern was over the cost, how it could be reduced and what the consultant had reported or had not reported at a previous Board Meeting.

Report Item 3. Benefit Cost Containment. The Board directed the Planning Committee to prepare a policy change for items 3b and 3c. The Board also directed items 3a and 3d be combined and monitored by Management this fiscal year.

Report Item 4. Diminishing Capital Reserves. The Board directed Management to closely monitor this reserve fund.

Report Item 5. The Future of Ad-Valorem Taxes. The Board acknowledged at some point this source of revenue funding may be redirected. No agreement was reached as to what or when to employ a positive action. Also, if a positive District action was taken, where to apply the Ad-Valorem Funds.

Upon review and discussion of the 2008 Finance Committee’s recommendation, the Board did not take action on specific recommendations but felt that the content of the report should be utilized for consideration by the 2009 Finance Committee. It was

recommended that the Finance Committee should provide its Budget Report and Forecast for the coming fiscal year by the regular Directors meeting in April.

J. REPORTS BY DIRECTOR, LEGAL COUNSEL AND GENERAL MANAGER

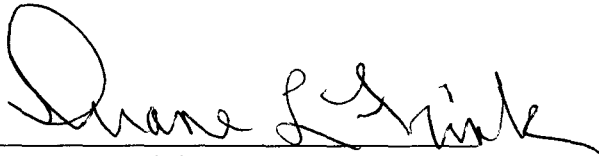
The General Manager discussed with the Directors incoming email preferences from our website. No changes will be made to the current arrangement.

K. ADJOURNMENT

There being no further business, at 9:25 pm President Frink motioned the meeting be adjourned. Motion seconded by Director Shaw.

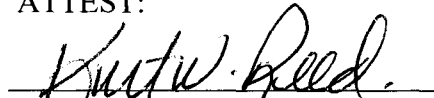
PASSED UNANIMOUSLY.

Next Regular Meeting: The next regular meeting of the Board of Directors will be held in the District Office on Wednesday, March 11, 2009 at 7:00 pm.



Duane L. Frink
President, Board of Directors

ATTEST:



Kurt W. Reed
Clerk Thereof

Director's report for period 1-14-09 to 2-11-09

Duane Frink, Director

January 15, 2009 ACWA Region 3 Board of Director's meeting, conference call setting date and agenda of first meeting for 2009 following MCWRA's Day at the Capital

Jan 27 and Feb 9, Ad Hoc Committee on draft Proposed Development Policy

Jan 29 ACWA Board of Directors work shop. topics covered: Water Bond Strategy panelists: Jim Earp, California Alliance for jobs; Joe Caves/Leslie Friedman-Johnson, Conservation Strategy Group and Marc Burgat, California Chamber of Commerce Bottom line, budget has priority. Seemed to agree 08 efforts had resolved most issues; Review of Delta Vision Cabinet Committees Final Report and Bay Delta Conservation plan a work in progress. Work Plan and Environmental document are on schedule. Completion of these efforts is expected in 2010. Used Klamath River "agreements" as an example of progress and achievement

Jan 30 ACWA Board of Director's meeting 910 K St. Sacramento. Selected highlights: Partnership with national Geographic, an educational effort featuring California water issues. First issue will be out later this year. Copies will be available for water agency purchase for distribution; Adoption (in concept) OF Water conservation (water efficiency use) Policy Principles and Groundwater Management Policy principles and, approved a Proclamation honoring Jim Chatigny.

Feb. 10 in the morning attended MCWRA's Day at Capital. Budget (lack thereof) dominated discussion. S. Cox and Cogdill did not show. S. Cox sent staff to honor Chatigny. Jim received many commendations. I presented FPUD's letter and ACWA's resolution. Assemblyman Niello addressed high bond debt service budget a work in progress and opined recession may bottom out later this year. Fielded many questions on over reaching regulatory rules such as those proposed to implement AB 885. In the afternoon ACWA Region 3 Executive Board met at ACWA'S office on K St, Progress made on: Tour date tentatively Aug 27-28 for SLT; Region 3's Spring conference forum on Watershed Stewardship is progressing.